

Peter Dale Scott: The Fall of the Shah, David Rockefeller (KPFA, 1980)

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next we have peter dale scott who is a professor here in the berkeley campus of english but perhaps more important he's been one of those people who's always looked behind the scenes he was looking behind the scenes during the watergate days looking behind the scenes at the fbi and looking behind the scenes at the cia he tends to kind of know what's going on in the covert corners of our society peter dale scott you all saw the headlines in the paper this morning kpfa must have known something too and they'd planned the the date of this teaching because the headline carter cuts ties with iran breaks off trade with iran is sort of typical of the whole crisis that we've been living through in the last four days it obviously is a crisis obviously also if carter's primary interest was to get the hostages back he would do something more like as was said earlier in this uh in this teaching admit what everybody knows that yes the cia did install the shah in 1953 [Applause] and we won't do it again as they have said from time to time that for our consumption that they won't do it again but instead we have these half measures that any sensible person in this room i think knows are more likely to keep the crisis going than they are to bring it to any kind of conclusion and the important part of the first paragraph in the story of the washington post as reprinted in our chronicle is that carter and this is quite accurate i think renewed an implied threat to use

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renewed an implied threat to use military force if the american hostages in tehran are not freed soon now what is so really serious about these continuous threats that are coming out of washington is first of all the mood of washington washington is not joking about this and although we can see perhaps that it may suit carter's electoral politics and his need to win primaries to talk like a tough man from time to time what he is saying comes out of something much deeper in washington and about a series of plans which i may allude to later on uh which have been in the works for quite a while and to quote again as michael claire did earlier today uh from george kennan who after all was the architect of the containment policy in the 1950s the arch cold warrior of the 1950s he himself has said the atmosphere in washington is more militaristic now than at any time since world war ii when you think about what it means to threaten military intervention in iran which is one of the farthest places in the globe from the united states and one which all the planners in washington know and everybody in this room should know everyone hearing this broadcast should know there is no

military scenario in the persian gulf or in the middle east that is thinkable and could be planned by the uh planners in washington if they were not prepared in the last resort to use nuclear weapons that is what is in the background of the kind of threats they are they are issuing but one has the sense that washington is not really unhappy with the president crisis

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with the president crisis one obvious example is president carter who obviously was doing very badly in the polls until the crisis came along and now because he has an external enemy to project our hatred on as we've just been hearing about carter is up in the polls i think would be very foolish to think that that is the only source of the uh the need to continue to keep the crisis going on the contrary i think even in terms of what president carter has to do a much more serious source for his need for an enemy like the students in tehran or the ayatollah khomeini is that the price of militarism now has risen so high that we are all feeling it and it is hurting every american and everybody's practical budget has been affected by the what has happened to the economy in the last few years and as we all were able to see in 1978 uh in 1979 when the gas prices were going up it was very convenient to be able to blame it on the situation in iran even though in fact as numerous analyses showed uh it wasn't because of the situation in iran and in any case there wasn't really a gas shortage we what we face now is in fact a gas glut the military have been happy with this crisis because of the need to end what they call the post-vietnam syndrome in america and i think it's very interesting they've chosen those words postnet vietnam syndrome as if you were guilty of some kind of disease some kind of pathological condition to be analyzed by doctors if you didn't want

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analyzed by doctors if you didn't want to fight in another vietnam or if you didn't want to go to some other part of the world and intervene in some other third world country because of the decision of planners in washington everything that came out of the crisis in january and february came was it could be published at that time and barely noticed because of the amount of hysteria and i think that's the right word the hysteria that was being mounted in the press first about iran and then about afghanistan and i just want to remind you of some of the things that happened then and are what i think this uh this mood of crisis is really all about from the military point of view first of all it was announced that as it had been planned before long before the students took the uh stu the embassy personnel hostage it was announced that the u.s defense budget will be roughly doubled in about six years we used to have a defense budget of 98 billion back in 19 fiscal 1977 and now it's projected that it will be a defense budget of 205 billion in fiscal 1983. that's more than doubled and by the time inflation has caught up with it it may be even more than that then you've heard the the announcement of plans to go ahead with this so-called rapid uh deployment force which would allow uh america to intervene in places like the middle east which is the fruition of plans which were announced in 97 in 1977 and which in fact go back even further than that and michael clare talked about that earlier because it is directed against the third

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because it is directed against the third world and is immediately relevant to this crisis but i think we should also keep in mind the uh that if they do go to a a budget of 200 billion that's more than any our rapid deployment force is going to cost that involves mx missiles and other so-called counter force missiles which are directed against the soviet union and which are very much part of this present story because recently with roughly parity between the soviet union and the united states when it comes to nuclear capacity this has led in practice to a very real inhibition in the united states freedom to move in the third world it was particularly noticeable in africa around 1975 and 76 and it is very clear that the planners in washington don't want that situation to continue and that in order to resume the kind of unilateral threats against the third world which were customary in the 50s and which in a sense began in iran in 1953 when we overthrew a democrat a parliamentary system and installed the shah as a dictator if we're going to go back to that kind of freedom of movement in the third world the planners see that they have to try to regain superiority over the soviet

union on the nuclear level and as i think other speakers have already said today that is a chimera that is an illusion that is not something they are going to be able to do and what they will be able to do is to seriously destabilize the world and the arms race because anything that we can do in the nuclear level we

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we can do in the nuclear level we virtually can guarantee the soviet union will be forced to do also to come right back against us so that the crisis has been very useful for the military planners that they've been able to put through these enormous things a doubling of the defense budget at a time when we obviously need social services more desperately than ever before and they are hardly noticed in the hysteria of the situa of the situation it leads us to ask the question of whether to what extent they knew what they were doing when they let the shah back into this country now i don't want to be too simple-minded in saying what the response of carter or the white house was but i think if we look at the actual people who were pressing at that time for the shah to be admitted to this country at a time you must remember when his mexican visa was about to expire so he had to go somewhere uh why did david rockefeller and henry kissinger become the team who lobbied successfully for the shah to be admitted to this country well there are certain facts here which i think should be recalled one is that when the shah was shah the chase manhattan bank which david rockefeller is the chairman of was both the personal banker for the shah and this is no small matter it was the personal banker for the shah who's paulavik foundation is no one knows how much his foundation is worth but a very cautious estimate has been three billion dollars and the actual suit that was filed in this country to recover its assets was a suit for fifty six and a half billion dollars and i don't think anyone

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billion dollars and i don't think anyone knows where in that range the actual assets of the foundation lie but what we do know is whatever they were they were certainly big enough to be a very real and material consideration for the uh for the chase manhattan bank which was a bank that was facing bankruptcy in the early 1970s because of some wild and foolish investments which had been initiated by none other than david rockefeller well then what about henry kissinger why should he care about the shah well i i haven't seen this corroborated and i don't know what henry krissinger would say about it but the latest issue of inquiry says that the shah had a very simple way of getting to henry kissinger they hired him more specifically they when the crown prince the son of the shah came to study aviation with the u.s air force in this country henry kissinger was hired to be his tutor on matters of world affairs i don't know if any of you could imagine how much henry kissinger charges a crown prince who is the son of the shah of iran according to the iranian embassy sources it was ten thousand dollars per tutorial and if that figure is wrong i would certainly be delighted to see henry kissinger refuted it certainly speaks to the psychology of the henry kissinger that we have been reading about in the last few years but the concern of the chase manhattan bank went way beyond the personal investments of the shah and of the pallavi foundation even those though those alone were quite enough to motivate the chase manhattan

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to motivate the chase manhattan bank because when the shah was shah he also was able to locate the accounts of the iranian government and particularly of the national iranian oil company in the chase manhattan bank and where we're talking about millions or maybe a billion of uh dollars of the shah's personal wealth the accounts of the national iranian oil company particularly since oil prices have increased with largely as a result of joint collusion between nixon kissinger and the shah obviously the value of those accounts have increased and according to the iranian sources today authorities today when they were originally pushing for an investigation of the shah's corruption this is before the students had seized the hostages one of the things that they wanted investigated was what the chase manhattan bank had been doing with those oil company accounts because they charged that these billions of dollars that were held on account when would be delayed purposefully delayed by the chase manhattan bank so that they didn't reach an interest bearing account until they had sat for a while in a non-interesting on non-interest bearing account

of the chase manhattan bank and i repeat if we're talking about billions of dollars here then at today's interest rates we're talking about uh skimming off the top of that tens of millions or maybe even hundreds of millions for the chase manhattan bank so that in a very narrow and particular way the chase manhattan bank could have felt itself the object of the kind of investigation

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object of the kind of investigation that the people in iran were calling for and it's very interesting to look at the details of the timing i don't have time to go into it here today but last november of 79 uh when carter announced a freeze of all the iranian assets in this country some eight billion in all the chase manhattan bank took that as a pretext for declaring uh that the new iranian government was default in default on its loan payments for a 500 million dollar loan that the chase manhattan was the lead bank in negotiating actually the iranian government had sent orders to make the interest payment but from a london bank whose assets were now frozen so they could the money couldn't reach this country so the chase manhattan bank was able to say that the iranian government was in default now this those of you know anything about banking and particularly international banking can understand that this was an extraordinary affair because what the reality of the world around us and this is the reality that i want to close by referring to is that the global system of u.s intervention in third world countries has set up a situation where increasingly third world countries uh with the exception of the oil producing countries are in debt to the united states and one of the reasons that we have to have this u.s rdf and capacity to intervene in third world countries is to make sure that they will continue meeting those debt payments and keep meeting the uh the profit payments from the point of view of washington this is very important because if you looked at the recent announcement that the united states had

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announcement that the united states had a balance of payments surplus for the first time in years in more than a decade if you look at that balance of payment surplus you will see that it's not because we're a trading nation we are an importing nation now and we're running a deficit on trade which is a great change in role and a very relevant one for the united states we only came out with a surplus because of what the statements refer to euphemistically as services it sounds like we're giving something some kind of service to the rest of the world so that we are earning there well actually most of those services consist of profits and interest payments on debt coming back to this country and an increasing amount of that is coming from the poor countries of the world if we just take the profits account alone back in 1961 there was a net inflow of 1.2 billion dollars uh in profits from the poorest countries of the world to the richest country the united states that's a net capital inflow towards the united states by 1973 that had risen to 6.2 billion dollars and i can't give you the figure for last year because i haven't seen it yet but that is how we are keeping our heads above water making the dollar sound is by in effect taxing the rest of the world to pay for this incredibly expensive security system which the united states has imposed through the rest of the world and you can see what that does in terms of repression it means that life is extremely hard in those third world countries and that it's harder and harder for those countries to survive as democracies so that it is no accident that they have been converted or time after time after time to military dictatorships

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military dictatorships with uh increasingly scientific police forces skilled and trained in the use of torture in all of this iran was a kind of leader iran savak set up by the cia was a pioneer in this kind of use of torture for internal repression but it has now become a kind of system a french writer and not a not a particularly radical writer talking about what america has meant for the third world said that it has set up an international gulag arc archipelago and if you have read the reports coming back about torture in these third world countries you'll see what it means and if you think about it the prognostics if we allow this situation to continue are not very good for our own country either because we are beginning to feel the crunch and if they go to that 200 billion dollar defense budget and if they institute the draft and all the other things they want to do then that

crunch is going to become harder and harder to bear in this country as well and the repression which we have been so efficient in exporting to other third world countries like iran the which amnesty and international called the worst country in the world from a human rights point of view if we continue to do that sort of thing in the rest of the world then you can see that eventually we will be feeling it more and more here at home as well and what i think we have to persuade those planners in washington is they have all the priorities wrong we are not so much interested in regaining the power to intervene and in guaranteeing the flow of profits from the poor countries to the rich country as we are interested in a decent world that is the kind of security that we understand where we can be proud to be americans because we are not exploiting we are not riding on the

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exploiting we are not riding on the backs of the rest of the world and i'm afraid we cannot wait for washington to see the light on that point by themselves we have to make it clear by our actions by what we say by what we do and by what we refuse to do that we will not be part of that system thank you very much

END